The Honorable Karen L. Haas

Clerk of the House

Statement Before the Committee on Rules

U.S. House of Representatives

Mr. Chairman, Madam Ranking Member, and members of the Committee, I appreciate having this opportunity to appear before you today regarding the experience of the Office of the Clerk with the administration of lobbying disclosure laws, and in particular the current Lobbying Disclosure Act of 1995.

As you know Mr. Chairman, I have served as Clerk of the House for just over two months. Although new on the job with this office, I have had the opportunity to become familiar enough with the more pertinent administrative issues of the Act to provide you and the members of the Committee with a worthwhile overview. I was already in office on the effective date of mandatory electronic Lobbying Act filing. In those 45 days leading up to the February 14th filing deadline, our Clerk system processed over 15,000 approved filings , approximately half of which entered our system the last two days of the filing deadline period. And in the two weeks preceding the deadline, our staff responded to over 2,000 help-desk calls. I have more to say on this subject later in my statement, but I would like to take this opportunity to publicly recognize the exceptional services of our Legislative Resource Center and Legislative Computer Systems

staff who patiently and expertly assisted thousands of filers through this new process. My exposure to this issue, however, is not limited to this experience. For five years earlier in my career, I worked in the Washington government affairs office of a major public company. That is when I first became familiar with the rituals of lobbying registration and reporting - an experience that I feel, provides me with added insight in my present position.

For sixty years, the Clerk has been administering lobbying regulation and disclosure statutes on behalf of the House of Representatives dating back to the enactment of the Federal Regulation of Lobbying Act as contained in the Legislative Reorganization Act of 1946 and continuing in the successor legislation, the current Lobbying Disclosure Act of 1995. Although those laws differ, some essential elements of the Clerk's duties have remained constant: the duty to serve as the point of entry for filings, to provide a venue for public disclosure, and to varying degrees, monitor compliance. Then, as now, the Office of the Clerk has provided for an identifiable and accessible department and staff to administer this, and other statutory and regulatory filings required to be made to the House. Those filings today include, in addition to the Lobbying Disclosure Act, the following:

- the Ethics in Government Act;
- the Mutual Security Act;
- various Gift Rule provisions of House Rule XXV;
- disclosure venue for mass mail material under the jurisdiction of the House Commission on Congressional Mailing Standards;

- disclosure venue for Legal Defense Funds filings.

Since 1997, that point of entry and public disclosure responsibility has been located with the Clerk's Legislative Resource Center, a publicly accessible venue in the basement of the Cannon House Office Building. A combined staff of twenty-one from the Public Information and the Records and Registration sections of the LRC, as it's commonly known, work, as the case may be with the requirements for different classes of filings, to process, index, monitor compliance, make available for public disclosure, and assist filers and the public. Annually, our staff process over 55,000 filings, responds to nearly an equal number of telephone inquires, and receives approximately 10,000 visitors to the LRC to view the public filings I mentioned earlier.

As to the Lobbying Disclosure Act specifically Mr. Chairman, allow me to frame my testimony along the following lines: firstly, how we implemented the Act, secondly, how we manage the work and our move to electronic filing, and thirdly, how we monitor compliance. I would respectfully request, Mr. Chairman and members of the Committee, that you consider my testimony in the context of the impact of potential changes to the current law impacting the Clerk's ability to implement those changes. I will speak of how the Clerk and the Secretary of the Senate quickly had to move from the former law to the current Act. That was ten years ago, and much has changed technologically as well as in the way both of our offices approach the administration of the Act. I would strongly urge that careful consideration be given to the effective date for new provisions that could require retooling of forms, instructions, reporting and disclosure systems. If new technology will be required to further streamline reporting, or

even broaden the reach of disclosure venues, I would urge that consideration be given to providing for the necessary funding to achieve those goals. Finally, I would respectfully request consideration of specific language to more clearly allow for a single point of entry for filing and that clarifies the language of Section 6 (3)(B) of the Act to reference maintaining consistency with federal government e-filing applications, authentication, and secure transmission technology.

Implementation: the Lobbying Disclosure Act was signed into law by the President in mid-December 1995. All firms and organizations intended to be covered by the Act had 45 days from January 1, 1996, to register with the Clerk of the House and the Secretary of the Senate if their activities placed them within the jurisdiction of the Act. That meant that the Clerk and the Secretary had to have agreed on, drafted, and made available to the public new forms, instructions, and guidance - as well as having both common and internal procedures in place to accommodate that deadline - a deadline that we met. In the House, we offered five free public orientation seminars to Lobbying Act registrants - a program attended by over 800. By the end of that year, 3,359 firms and organizations had registered, representing 10, 073 clients. Today, as we speak, our Clerk staff is processing and beginning compliance review on the expected 20, 027 reports to be received for the semi-annual filing period ending December 31, 2005. Those reports represent 4,934 registrants and account for 21, 534 individual lobbyists. In 2004, 4,600 firms and organizations were registered with the Clerk, representing 18,472 clients, and 18,891 individual lobbyists.

Management and Electronic Filing: In 1996, together with the Senate, we designed a filing process based on paper, as the Internet then was still an emerging technology. As the law requires filing with the House Clerk and the Senate Secretary, registrants are obligated to deliver separate filings to both entities. In the House, then as today, we were already providing on-site, electronic search and retrieval of both Lobbying filings and Ethics in Government Act filings. In 1996, we agreed with the Senate to offer five avenues for public search ability: registrant ID number, registrant name, client name, employee name, and general issue area. Those are the five search criteria the House deployed for our public terminals at the LRC and that are available today. With paper filings, our staff must hand key that and other data into our database at origination or make updates as required. Also with paper filings, the forms must be scanned so they can be displayed electronically at our public terminals. With nearly 20,000 filings arriving within days of a semi-annual report filing deadline, the time required to index and scan those filings could run upwards of 45-60 days. Only after the data and forms have been entered into our internal system can the process of compliance review begin, a process that I will address in the following segment of my testimony. As is quite obvious, converting those manual steps to electronic filing allows two critical functions to occur without delay: availability of records for public disclosure, and, compliance review.

In early 2000, the Senate first offered an electronic filing program. It is my understanding that the House had been keenly interested in implementing an electronic filing application at that time for the benefits I've just mentioned. The House opted, however to defer that option pending the availability of more flexible, proven, and secure filing and authentication technologies. My

predecessor, Mr. Trandahl, who took office in December 1998, remained engaged with the Committee on House Administration, the House General Counsel and House Inspector General - as well as with our counterparts in the Senate - to arrive at the most satisfactory application. Ultimately, with the availability of interactive form functionality and the maturation of public key infrastructure to enable an electronic digital signature authentication, the Committee on House Administration gave the Clerk approval to deploy an Adobe-based forms application to be authenticated (signed) by the filer with a digital signature certificate purchased through a participating GSA-Access Certificates for Electronic Services program vendor, otherwise known as the GSA-ACES program. In December 2004, the Clerk's Office went live with its electronic filing program.

Although the House believed then that we were pursuing the most prudent course by adopting timely technology and the highest level of authentication and secured transmission, the fact remained that the House and Senate offered different — and at that time- completely non-compatible filing systems to the filing public. In fact, until this month, neither of our systems enjoyed more than modest participation filing rates. The reason for the upsurge in electronic filing a year later can be traced to a June 27, 2005, letter from the Chairman of the Committee on House Administration to the Clerk, in which he authorized the Clerk to require that Lobbying Disclosure Act filings made to the Clerk after January 1, 2006, be submitted electronically using the House system. Immediately, the Clerk stepped-up the series of free public electronic filing tutorial seminars in the House Administration hearing room - completing twenty-four sessions through February 9, 2006 and reaching over 1,000 individuals.

The implementation of the mandatory program was not without some problems - both technical and perceptual. As the Clerk had deployed its application based on an Adobe version available at the time, the subsequent release by Adobe of version 7.0 carried with it a bug that compromised the data integrity of the House form's ACES digital signature application. While the then-Clerk sought unsuccessfully through the year - and I to date- to achieve a solution from Adobe, the Clerk had to instruct filers who were using version 7.0 to deinstall it completely from their computers and upload the earlier compatible version. And although the public received ample advanced warning by the Clerk through the mails, the Clerk's website, the free seminars - and even through press covering the filing policy - many filers waited close to the filing deadline to procure their digital signatures. The inconvenience caused by the Adobe bug, combined with the novelty of the digital signature process to the filing community, created the impression in the press that the House system was broken and would fail - or to paraphrase one person quoted in press as "taking bets that it would implode."

In fact, our system did not implode. By December 2005, through cooperation with the Senate Secretary, we modified our House form to allow filers the option to also transmit their data from the House form to the Senate's electronic filing database, provided they secured a Senate system password. In the days leading to the February 14, 2006, filing deadline, our 24-hour Clerk servers were processing quite satisfactorily upwards of 150-200 approved filings per hour and even 5-6 approved filings per minute. By 11:59 p.m. of the filing deadline of February 14, the House had approved into its system close to 16,000 of an expected 21,000 filings - nearly 70%. To date that number has inched into 80%. Of that number, nearly 7,000 were received,

processed and approved by the Clerk electronically on February 13 and 14. After consultation with the Committee on House Administration, on February 9, 2006, the Clerk did advise filers who were experiencing unforeseen technical problems to file their reports in paper form, with a cover letter explaining the circumstances. To date, we have received approximately 2,200 paper filings.

To the extent possible, Mr. Chairman, the Office of the Clerk, both under my predecessor and under my watch, made wide-ranging efforts to advise the filing community of our program and of the mandatory policy, and mitigate technical and informational problems and delays. Some of those efforts were successful and some were not as successful. However, when in direct contact with actual filers, and given the opportunity to help, we had rewarding outcomes. We provided technical advise and solutions to filers large and small. We successfully assisted in ensuring the transmittal of a near 200 page filing. Our help-desk staff responded to hundreds of daily calls in the two week period leading to the filing deadline. Our staff patiently and professionally helped the technically challenged, the last-minute filers, those with bad Internet connections, and those who just wanted someone to walk them through the process. Getting to this point has been both challenging and rewarding. Despite the naysayers, I felt a sense of vindication upon reading a lobbying-related story in the February 20, 2006 edition of the Washington Post. The reporter referenced records filed the previous week with the House of Representatives as a source for her story. That information was available to her quickly because it had been filed electronically. We still have much work ahead of us to make the August filing deadline smoother and more user-friendly and we will continue to work with the Senate to

achieve a more streamlined electronic reporting process, beyond the band-aid approach we used to facilitate filing with both entities.

Compliance: the final segment of the process that I would like to discuss Mr. Chairman concerns our role and process regarding compliance with the Act. The best way I can describe our role under the law is to differentiate between what we can't do and what we can do. Section 8 of the Act states, " nothing in this Act shall be construed to grant general audit or investigative authority to the Secretary of the Senate or the Clerk of the House of Representatives.
In practice that means at the outset that my staff cannot monitor compliance with the Act for any firm or organization that has not registered. Only when a firm or organization comes into our system through the registration process can our staff track a registrant to ensure they file semi-annual reports. We also look for errors and omissions, which for forms filed electronically will be relatively a moot issue. I am not advocating here, Mr. Chairman, for a change in our authority one way or another. Rather, I am raising it to clearly articulate what is our position under the law. When we implemented the current Act, the then-Clerk and Secretary agreed to craft a compliance policy that would best encourage compliance with the Act. The current law provides for referral to the U.S. Attorney for the District of Columbia if a lobbyist or lobbying firm has failed to respond satisfactorily within 60 days to a written notice from either the Clerk or the Secretary. At the outset with the new Act, both sides agreed that each would precede the so-called 60-day letter with two notices each providing 30-days of opportunity to respond satisfactorily. The House has continued with that policy. The House and Senate also agreed that compliance was the respective responsibility of each for the filings it had received. We did not

then, and do not today, consult each other regarding compliance or eventual referral to the U.S. Attorney. Until 2001, the House had not referred any registrant to the U.S. Attorney. On the advice of the House Inspector General, following a year 2000 audit, my predecessor proceeded to the issuance of the 60-day letter and to the eventual referral of 238 entities accounting for 354 individual instances of failure to file semi-annual reports. It is my understanding that three factors significantly frustrated additional potential referral action by the House: the anthrax incident in 2001 that severely disrupted mail and delivery service to the House of Representatives; a change-over to a new internal database system to replace a system no longer supported by the manufacturer, and the soon to follow development and phase-in of the new electronic filing application, the latter two of which diverted significant staff resources from compliance. With those matters behind us, and with the staff time now available to us because electronic filing has drastically reduced the processing time of filings, I anticipate our compliance backload decreasing significantly in the next six months.

I hope that by my explaining our role in this process, Mr. Chairman, the Committee will have a clear understanding of procedures and process that may be of relevance in any proposed legislation. I would be happy to answer any questions you or the other members of the Committee may have.